

CENTRAL INTELLIGENCE AGENCY  
INFORMATION REPORT

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SUBJECT Movement of Shanghai Industries to Interior

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1. At the end of 1949 the Chinese Communists held the First East China Industrial Conference to discuss the status of industries in that area and to suggest means for alleviating unemployment in the Shanghai area particularly. It was decided that the Northeast should be the center of Chinese economic reconstruction and the mission of the Shanghai area should be to train technicians and laborers for the Northeast. In order to change the development pattern of industries in Shanghai, some should be moved to Honan Province.
2. According to statistics compiled by the Shanghai Factories Joint Investigation Office, out of 10,078 factories in Shanghai 7,222 had resumed operation by 31 December 1949. By the end of February 1950, 34 factories had moved into the interior and other factories had set up branches in other parts of China. The Chinese Communist government has been granting special privileges to factories which wished to move.
3. In Shanghai only 60 percent of electric power had been restored by early 1950 and some of the factories received power supplies only three days a week. Generators owned by public and private factories generated only 36,000 kilowatts, out of which 16,000 kilowatts were from private factories. The capacity of the Chen Yang (陈阳) Power Company in North Kiangsu was only about 3,000 kilowatts and not sufficient to meet the demand of industries which intended to move from Shanghai. The great majority of Shanghai factories planned to move to Honan; however, the city of Kaifeng could generate only 3,000 kilowatts, which was to be increased to 3,375 in May 1950 and to 4,475 in July. Chengchow (113-40, 34-45) could supply only 1,125 kilowatts, but was to have a new 5,000 kilowatt generator installed.
4. The shortage of trained technical personnel was acute in all parts of China, because all such experts were concentrated in the Shanghai area, from which it was very difficult to move them. Between 1 and 20 February 1950 only 1,258 persons registered as unemployed in Canton and Shanghai because the majority of the great number of jobless did not wish to be sent to the Northeast. In Shanghai working hours were from 8 to 10 hours a day, but in the Northeast, although the official working day was eight hours, two hours extra were required for support of reconstruction and one hour extra for support of the war front.

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9. The following is a list of Shanghai factories which had moved from that area in early 1950:

Factory	New location
Great Wall Pencil Manufacturing Company	Tientsin
Shanghai Pencil Manufacturing Company, to establish a branch factory	Peiping
China Standard Pencil Manufacturing Company, to establish a branch factory	Harbin
Cheng Ming (正明) Match Factory, to form a partnership with the Hsin Hsin Hung Chi (新新興記) Match Factory of Shanghai	K'aifeng
Ch'uan Chiang Cheng Chi (金昌正記) Match Splints Factory	Ch'inhuangtao
Su Pei (蘇北) Joint Pharmaceutical Works, established through the merger of the Sine Laboratory Ltd., the Jen Ho Pharmaceutical Works, the China Biological and Chemical Laboratories, and the T'ien Feng (天豐) Pharmaceutical Works	Nant'ung (120-52, 32-02)
Comluck Tobacco Manufacturers	Tientsin
Chezy Tobacco Company	Chengchou
Ta Yün Lung (大運隆) Tobacco Manufacturing Company	Chengchou
Hua Fei (華菲) Tobacco Manufacturing Company	Chengchou
Lung Hua (龍華) Tobacco Manufacturing Company	Chengchou
Huan Ch'iu (環秋) Shirt Company	Tientsin
Kuo Hsin (國信) Weaving Mills	Hsichou
New China Textile Company, with 5,000 spindles	Chengchou
Kung Feng (榮豐) Cotton Mill Company	T'aichou (115-23, 27-38), 4,000 spindles Hantan (114-28, 36-37), 10,000 spindles
New China Textile Company, with 10,000 spindles	Chi Hsien (114-04, 35-24)
Ch'eng Te (誠德) Cotton Mill	Hsinhsiang (113-53, 35-19)

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FactoryNew Location

Shen Hsin (申新) 5th Cotton Mill, with 2,660 spindles	Hankow
Chin Hsin (錦新) Cotton Mill	K'aifeng
Chin Hua (錦華) Tobacco Manufacturers	Tientsin, six plants Kalgan, four plants
Mei Lo (美樂) Printing Company	Tientsin
Ching Hua (晶華) Glass Company	Tsingtao
Central Chemical Glass Factory	Mukden
Sheng Sheng (生生) Glass Works	Tientsin
W.M.K. Rock Manufacturing Company	Tientsin
Hsiang Lan (香蘭) Tooth Paste Manufacturing Company	Tientsin
Ch'ing Ch'eng Dyes Manufacturing Company	Tientsin
Asia Electric Industrial Company	Tientsin
Hsin An (新安) Electric Supply Company	Tientsin
K'ai Ling (開慶) Electric Supply Company	Tientsin
Ta Lai (大來) Light Bulb Manufacturing Company	Tientsin
Wei Ch'ang (維昌) Machinery Works	Tientsin
Chen Yang Power Company	Yangchou (119-27, 32-24)
China Match Company	Chengchou
Shanghai Wen I (文錦) Type Founding Company	Chengchou

6. Some of the factories planning to move from Shanghai in mid-1950 were as follows:

Fu Ch'ang (福昌) Match Factory	Lin Min (利民) Cotton Mill
Hsin Hua (新華) Match Factory	Hsin I (新益) Cotton Mill
Hua Ting (華鼎) Tobacco Factory	T'ai Ts'ang Yung T'ai (大隆永) Cotton Mill
Lo Hua (樂華) Tobacco Factory	T'ien T'ung (天國) Cotton Mill
Hsin Hua (新華) Tobacco Factory	Chen Hsing (振興) Cotton Mill

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